

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

REVIEW OF CALCULATION OF COMPETITIVE  
PRODUCTS ASSUMED INCOME TAX, 2019

Docket No. T2020-1

NOTICE OF THE UNITED STATES POSTAL SERVICE OF  
SUBMISSION OF THE CALCULATION OF THE FY 2019 ASSUMED  
FEDERAL INCOME TAX ON COMPETITIVE PRODUCTS  
(January 10, 2020)

In accordance with 39 CFR § 3060.40(c), the Postal Service hereby gives notice of filing the attached material showing the calculation of the assumed Federal income tax on competitive products for FY 2019.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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**Calculation of Assumed Federal Income Tax on Competitive Products Income  
for the Fiscal Year ending September 30, 2019**

**FY 2019 Competitive Products Income Before Tax**

**Source: FY19 Competitive Products Income Statement (Docket ACR2019, USPS-FY19-39, PRC Form CP01)  
(\$ in 000s)**

Revenue	
(1) Mail and Services Revenues	\$ 24,209,570
(2) Investment Income	-
(3) Total Competitive Products Revenue	24,209,570
Expenses	
(4) Volume Variable Costs	\$ 15,347,940
(5) Product Specific and Group Specific Costs	183,277
(6) Incremental Inframarginal Costs	429,151
(7) Total Competitive Products Attributable Cost	15,960,368
(8) Net Contribution Competitive Products Market Tests	(282)
(9) Net Income Before Institutional Cost Contribution	8,248,920
(10) Required Institutional Cost Contribution	3,097,547
(11) Net Income Before Tax	5,151,373

**Postal Service Competitive Products Fund  
2019 Assumed Federal Income Tax**

Net Income (Loss) Before Tax	\$ 5,151,373
Temporary Timing Differences*	N/A
Permanent Differences**	\$0
Taxable Income	\$ 5,151,373
Tax Calculation =	
Tax on \$5,151,373,000 @ 21%	
Assumed Federal Income Tax to be transferred to the Postal Service Fund	\$ 1,081,788

**Instructions for Form 1120  
U.S. Corporation Income Tax Return**

**Schedule J. Tax Computation and Payment**

**Part I—Tax Computation**

**Line 2**

For tax years beginning in 2018, corporations (including qualified personal service corporations) multiply taxable income by 21%. Enter this amount on line 2.

\* Per PRC Order 106 -- Section IV (Calculation of Assumed Federal Income Tax)

\*\* Permanent differences (including Meals and Entertainment) are not material and are excluded